On the whole, Mr. Burton's explanation of crises and depressions, as set forth in this chapter on the Causes, may be summed up as a painstaking, though not very systematic, rehearsal of commonplaces, for the most part discredited by modern students. His review, in chaps. v and vi, of the "Indications of Prosperity and Depression," and of "Crises and Depressions," respectively, is valuable as a sketch of the phenomena commonly observed under the two contrasted conditions of trade. The like is true of the "Account of Crises and Depressions in the United States," in chap. viii; whereas the discussion of "Preventives and Remedies," in chap. vii, belongs in the same class of inconsequential commonplace as the account of the Causes. The most substantial item in the volume is the bibliography (pp. 347–77), compiled by Mr. Williams. V.

Funds and Their Uses: A Book Describing the Methods, Instruments and Institutions Employed in Modern Financial Transactions. By FREDERICK A. CLEVELAND. New York: D. Appleton & Co., 1902. 8vo, pp. xiii + 304.

The Work of Wall Street. By SERENO S. PRATT, 1903. 8vo, pp. xviii + 296. ("Appletons' Business Series.")

THE first volumes of "Appletons' Business Series" are distinctly successful. Dr. Cleveland's work is introductory in its character, outlining the general field of private finance and touching on various topics to be treated at greater length in later volumes of the series. The title scarcely conveys an idea of the scope of the book. "Funds," as used by the author, signifies money and its various credit substitutes. In Part I a description is given of the various forms of money and credit funds; in Part II the author tells how funds are obtained—either by gift, exchange, or credit; and in Part III, which occupies just one-half of the book, are described various institutions engaged in dealing in funds as such. In this list are included the United States treasury, building loan (*sic*) associations, savings and commercial banks, trust companies, insurance companies, and the stock exchange.

The author shows decided ability in exposition, marred at times by infelicitous phrasing. From the nature of the work and its position in the series the treatment is necessarily cursory. The book is, however, much more vertebrate than the various business manuals which have preceded it. Errors of statement are neither numerous nor important. Perhaps the most serious mistake is made in estimating the amount of

interest-yielding investments held by the national banks. The author includes 229 million dollars United States bonds to secure circulation, but omits 100 million dollars United States bonds on hand and to secure deposits, and also omits the larger item of 320 million dollars stock securities, etc. Furthermore, an estimate is made that the banks receive 8 million dollars interest on deposits with other banks. As the purpose of the estimate is to determine the aggregate income accruing to the banks, to include payments of interest by one bank to another is clearly incorrect. Profits come only from outside sources, and interest between banks is a distribution of that fund, not an addition thereto.

Mr. Pratt treats more fully a subject which forms a chapter of Dr. Cleveland's work, giving us the most satisfactory description of Wall street which has yet appeared. The author writes to a popular audience and necessarily avoids much technical detail, yet considerable useful information elsewhere not easily attainable is here clearly set forth. Especial mention may be made of the account of the stock exchange clearing-house, the recent devices for handling collateral loans, and the description of the broker and his office.

The objections made to bucket-shops by the two writers form an interesting contrast. Dr. Cleveland seems to base his charges on unfair dealings by the manager of the bucket-shop, saying:

> The office has it entirely within its own power to say whether New York Central goes up or down. The customer, therefore, is in a gambling house which plays with loaded dice. In case there are others in the game who have up more money on the fall of New York Central than he has on its rise, the returns will probably be declared in his favor. If the conditions be otherwise, he may have his margin wiped out and he will then be left to reflect on whether he will try the market again. (P. 281.)

Mr. Pratt makes no such accusations, but rests on the securer ground that the persons attracted to bucket-shops—because of the petty transactions allowed—are the ones who should keep out of the stock market. It may be granted that inability to pay $80,000 for membership on a board is all that is necessary to transform one from a respectable broker into a gambler. But the objection to gambling does not depend on proof of dishonest dealing. Broker and book-maker alike plays each according to the rules of his own game. But society inclines to the opinion that, on the whole, the latter's game is obnoxious to the public, while the former's is not.

HENRY RAND HATFIELD.